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SECURITIES AND COMMISSION
Washington, D.C. 20549

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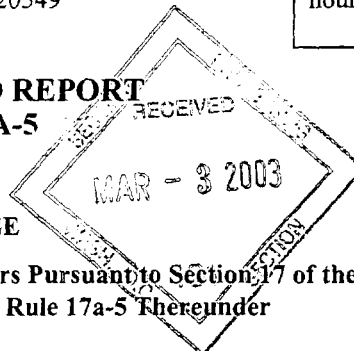
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

FACING PAGE

SEC FILE NUMBER
8-35008

8-28461



Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

The Advisors Group, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
7315 Wisconsin Avenue

(No. and Street)

Bethesda **Maryland** **20814**
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Scott Grebenstein, Chief Financial Officer **(301) 280-1120**
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

(Name - if individual, state last, first, middle name)

1750 Tysons Boulevard **McLean** **Virginia** **22102-4219**
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

APR 15 2003

THOMSON
FINANCIAL

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

MA

AFFIRMATION

I, Scott Grebenstein, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedule pertaining to The Advisors Group, Inc (the “Company”) for the year ended December 31, 2002, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

Signature Scott A. Gil Date 2/27/2003

Chief Financial Officer
Title

Angeline R. Sherard
Notary Public

ANGELENE R. SHERARD
Notary Public State of Maryland
My Commission Expires October 1, 2005

THE ADVISORS GROUP, INC.

STATEMENTS OF FINANCIAL CONDITION DECEMBER 31, 2002 AND 2001

	2002	2001
ASSETS		
ASSETS:		
Cash and cash equivalents	\$ 1,317,256	\$ 1,784,894
Deposits with clearing organizations	225,000	110,000
Commissions and fees receivable from the clearing organizations and broker dealers	874,418	1,089,715
Accounts receivable	198,083	78,143
Income taxes receivable	106,224	111,604
Office equipment, (net of accumulated depreciation of \$538,985 in 2002 and \$434,295 in 2001)	195,550	437,245
Deferred tax assets	156,190	95,853
Prepaid expenses and other assets	<u>184,721</u>	<u>225,444</u>
TOTAL ASSETS	<u>\$ 3,257,442</u>	<u>\$ 3,932,898</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES:		
Due to affiliates	\$ 486,132	\$ 1,273,352
Accrued expenses and other liabilities	420,114	338,391
Accrued commissions	327,246	523,528
Unearned income	<u>21,884</u>	<u>14,965</u>
Total liabilities	<u>1,255,376</u>	<u>2,150,236</u>
STOCKHOLDER'S EQUITY:		
Common stock, par value \$.01 per share - authorized, 10,000 shares; issued and outstanding, 1,500 shares	15	15
Additional paid-in capital	4,039,008	3,039,008
Accumulated deficit	<u>(2,036,957)</u>	<u>(1,256,361)</u>
Total stockholder's equity	<u>2,002,066</u>	<u>1,782,662</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 3,257,442</u>	<u>\$ 3,932,898</u>

See notes to financial statements.